UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

DUNN

Mailed: August 27, 2015

Opposition No. 91218845

Skins International Trading AG

v.

EnerSkin Korea

Before Quinn, Bucher, and Lykos,
Administrative Trademark Judges:

By the Board:

This case now comes up on Applicant's motion (filed March 11, 2015) for relief from default judgment under Fed. R. Civ. P. 60(b). Opposer's consented motion to extend its time to respond to the motion is GRANTED, and its opposition to the motion is accepted. Inasmuch as Trademark Rule 2.127(a) provides that the time for filing a reply brief will not be extended, Applicant's consented motion to extend its time to file a reply brief is DENIED, and Applicant's late reply brief has been given no consideration.

On December 10, 2014, following Applicant's failure to file an answer to the notice of opposition by the November 24, 2014 deadline, the Board issued a notice of default. On January 21, 2014, having received no response from

Applicant regarding its default, the Board entered judgment by default, sustaining the opposition and refusing registration of the opposed application.

On March 11, 2015, Applicant filed the instant motion for relief from judgment under Fed. R. Civ. P. 60(b), with its answer and a counterclaim against two of Opposer's pleaded registrations, and three declarations. The declaration of Applicant's attorney, William Stroever, avers that his firm Greenberg Traurig LLP filed the opposed application, were served with the notice of opposition, forwarded the notice of opposition to Applicant, were informed by Applicant that Applicant chose to retain the law firm LaMorte & Associates P.C. for the opposition, were instructed by Applicant not to correspond with Opposer and to close the file on the application, did not forward the Board communications related to the opposition to Applicant, forwarded the notice of abandonment of the application to Applicant, were instructed by Applicant to assume responsibility for the opposition, contacted Opposer about consent to set aside default judgment and, when consent was refused, filed this motion.

Applicant's former attorney, Eric LaMorte, avers that Applicant retained him to address a cease and desist letter, that he sent a response on Applicant's behalf to the law firm which issued the cease and desist letter, that he never received email from Applicant requesting that he file an answer to the notice of opposition, that when the notice of abandonment was

forwarded by Applicant, it was his first knowledge of the opposition against Applicant, and that, had he known of the opposition, he would have filed an answer or counselled Applicant on how to avoid default.

Finally, Applicant submits the declaration of Wook Chung, who identifies himself as a representative of Applicant, and "responsible for much of Applicant's legal work in the United States," who avers that he is not familiar with trademark law, that he relies on outside counsel to handle trademark matters, that upon receipt of the notice of opposition, he informed Greenberg Traurig LLP of the decision to use LaMorte & Associates P.C. in the opposition, and forwarded the notice of opposition to LaMorte & Associates P.C. with a request to prepare an answer and respond to a settlement proposal, that he assumed that LaMorte & Associates P.C. filed the answer, that he promptly retained Greenberg Traurig LLP to address the opposition after receiving notice of abandonment, that Applicant had no intent to abandon its application, and that he had no knowledge of the failure to file an answer until he received the notice of abandonment.

In opposition to the motion for relief from default judgment, Opposer contends that, because Applicant indicates that it may seek to cancel Opposer's pleaded registrations with a counterclaim, Opposer will suffer prejudice if the motion is granted, that Applicant has not shown that it has a meritorious defense to the petition to cancel, that Applicant's motion admits that Applicant received the notice of opposition, that Applicant knew that an

answer was required, that no answer was filed, that, aside from Applicant's assertions that it sent more than one email to ensure that the answer was filed, Applicant took no action for three months to confirm that the answer was filed, and that Applicant's failure to file its answer was the result of gross neglect and/or willful conduct, and the motion for relief from judgment should be denied.

Fed. R. Civ. P. 60(b) provides that "the court may relieve a party ... from a final judgment, order, or proceeding for ... 'mistake, inadvertence, surprise, or excusable neglect,' or for "any other reason justifying relief from the operation of the judgment.' Pursuant to Fed. R. Civ. P. 55(c), "The court may set aside an entry of default for good cause, and it may set aside a final default judgment under Rule 60(b)." Among the factors to be considered in determining a motion to vacate a default judgment for failure to answer the complaint are (1) whether the plaintiff will be prejudiced, (2) whether the default was willful, and (3) whether the defendant has a meritorious defense to the action. *Information Systems and Networks Corp. v. United States*, 994 F.2d 792, 795 (Fed. Cir. 1993) ("Rule 60(b) is applied most liberally to judgments in default.").

With respect to the first factor, Opposer does not argue that its ability to defend against a prospective counterclaim (or to prove its own claims) has been prejudiced by Applicant's failure to file its answer. That is, there has been no showing that any of Opposer's witnesses and evidence have become

unavailable as a result of the delay in proceedings. *See Pumpkin Ltd. v. The Seed Corps*, 43 USPQ2d 1582, 1587 (TTAB 1997). The Board finds that merely having to prove claims against an adversary which is "given another opportunity to present evidence" is not prejudice which warrants denying relief from judgment. *Id.* at 1585.

We disagree with Opposer that Applicant's answer demonstrates that Applicant lacks a meritorious defense. A meritorious defense does not require the Board to evaluate the merits of the opposition. Rather, all that is necessary is a plausible response to the allegations contained in the notice of opposition. *See* 10A FED. PRAC. & PROC. CIV. § 2697 (3d ed.) ("The underlying concern is to determine whether there is some possibility that the outcome of the suit after a full trial will be contrary to the result achieved by the default."). Where the defendant files an answer which is not frivolous, the Board has found the necessary meritorious defense. *Fred Hayman Beverly Hills Inc. v. Jacques Bernier Inc.*, 21 USPQ2d 1556, 1557 (TTAB 1992).

It also appears that the third factor favors Applicant, which has demonstrated that the failure to file the answer was neither the result of willful conduct nor gross neglect. Unlikely as it seems that a party who admits knowing of the need for an answer and who is represented by two different law firms for trademark matters would remain unaware of its default, the supporting declarations make a persuasive case that the default from the original November 24, 2014 deadline to the March 11, 2015 filing of

this motion for relief from default judgment was no more than the result of failed communication by Applicant. For the duration of this proceeding, if and when Applicant retains a new attorney, Applicant may not rely on the new attorney to file an appearance with the Board, but is ordered to file a power of attorney with the Board promptly.[1]

Thus, under all circumstances present here, the Board is persuaded that there is good cause to set aside Applicant's default under Fed. R. Civ. P. 60(b)(1). *See* Trademark Rule 2.116(a); *Information Systems and Networks Corp. v. United States*, 994 F.2d at 795 ("Our review is guided by the well-established principles that a trial on the merits is favored over default judgment and that close cases should be resolved in favor of the party seeking to set aside default judgment.").

Accordingly, Applicant's motion for relief from default judgment is GRANTED, and its answer and counterclaim to cancel Registration Nos. 4588981 and 4543688 (for which the appropriate fees were paid) is accepted.

Opposer is allowed until THIRTY DAYS from the mailing date of this order to file its answer to the counterclaim.

Proceedings herein are resumed, and discovery and trial dates are reset as follows:

Deadline for Discovery Conference	October 27, 2015
Discovery Opens	October 27, 2015
Initial Disclosures Due	November 26, 2015

[1] The Board orders counsel for Applicant to forward a copy of this order to Applicant and to make clear by phone or email what the Board has ordered Applicant to do.

Expert Disclosures Due	March 25, 2016
Discovery Closes	April 24, 2016
Plaintiff's Pretrial Disclosures	June 8, 2016
30-day testimony period for plaintiff's testimony to close	July 23, 2016
Defendant/Counterclaim Plaintiff's Pretrial Disclosures	August 7, 2016
30-day testimony period for defendant and plaintiff in the counterclaim to close	September 21, 2016
Counterclaim Defendant's and Plaintiff's Rebuttal Disclosures Due	October 6, 2016
30-day testimony period for defendant in the counterclaim and rebuttal testimony for plaintiff to close	November 20, 2016
Counterclaim Plaintiff's Rebuttal Disclosures Due	December 5, 2016
15-day rebuttal period for plaintiff in the counterclaim to close	January 4, 2017
Brief for plaintiff due	March 5, 2017
Brief for defendant and plaintiff in the counterclaim due	April 4, 2017
Brief for defendant in the counterclaim and reply brief, if any, for plaintiff due	May 4, 2017
Reply brief, if any, for plaintiff in the counterclaim due	May 19, 2017

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rules 2.128(a) and (b). An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.